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Hungarian Analysis of 1956 Revolution			NO. OF PAGES 2	NO. OF ENCLS. 58
			SUPPLEMENT TO REPORT #	
THIS IS UNEVALUATED INFORMATION				
<p>A. The International Situation</p> <ol style="list-style-type: none"> 1. The disintegration of the international balance of power and its shifting toward the Western world caused by the Polish and Hungarian events. 2. The situation of the USSR has deteriorated and has been weakened because of the political, ideological, economic and military changes that occurred within the limits of the so-called People's Democracy countries and also because of increasing dictatorship and terror. As a result the numbers of Communists and Communist sympathizers decreased in the Western countries. <p>B. Connection Between Cause and Effect</p> <ol style="list-style-type: none"> 1. The XX Party Congress destroyed the Stalinist myth and freed criticism. 2. The relative amelioration of foreign connections (travel, revival of cultural and scientific exchange). 3. The autocratically conducted planned economy created a difficult economic situation, and resulted in the decreasing living standard and reduced wages. 4. The one-sided development of the technology and the failure and bankruptcy of the over-developed industry and agriculture caused plan modifications, the inventories at hand increased, the value of the banknotes decreased and inflationary symptoms appeared. 5. The constant reorganization of industry and the decentralization caused economic chaos in many cases. 6. Ideological crisis. The liquidation of the personality cult, the theory of the "Two Roads to Socialism", the 				
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problem of existence of the two world markets, the abandonment of the theory of the strengthening of the class struggle, etc.

7. The difficulties in the Kultur policy. Discussions and disputes in the artist and literary federations about the party line. Newspaper articles. The finace of the Socialist realism.
 8. Rehabilitation. Application and employment of the discarded politicians. The Rajk funeral as a demonstration, release of the former Social-Democrats and their job-placement, etc.
 9. Firing of army and police personnel as a cause of discontent. Attack against the AVH and the prosecuting organizations.
 10. The direct preparation of the Hungarian revolution, Petöfi Club, discussions and disputes, MEKESZ (Magyar Egyetemi Fiaskolai Szovetség-Hungarian University and Academy Students Federation), press demonstration, the rally and the first volley.
 11. Intervention of the Soviet forces, the first phase of the revolution, individual Soviet units joining the revolutionaries, the sympathy of the army and the police department.
 12. The temporary stabilization of the revolution and its results.
 13. Suppression of the revolution, terror measures, strikes, etc.
- C. The Present Situation
1. Measures against the Freedom Fighters and retaliation against the relatives of the escaped, etc.
- D. Economic Situation
1. After the Freedom Fights, industry became disorganized. Chaos was not eliminated. The ruble bloc takes over the produced merchandise below the world market prices and therefore the actual wages are falling and misery and exploitation increase. Etc.
- E. Tasks
1. In theory
 2. In practice
- F. The Existence and Aims of the Emigration. **CONFIDENTIAL**.

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